

### REMARKS

Applicants reply to the Final Office Action mailed November 14, 2008 within three months. Claims 25-33 and 46 are pending in the application and the Examiner rejects claims 25-33 and 46. Applicants cancel claims 25-33 and 46 without prejudice to filing claims with similar subject matter in this or other applications. Applicants add new claims 47-72. Support for these new claims may be found in the originally-filed specification, claims and drawing figures, and Applicants respectfully submit that no new matter is introduced with these new claims. Although support for the new claims may be found throughout the specification, for the Examiner's convenience, Applicants point particularly to ¶¶ [0078] through [0094] for support for the new claims. Applicants are filing an RCE herewith and therefore respectfully request consideration of new claims 47-72.

Applicants thank the Examiner for the interview conducted on December 15, 2008. In that interview, the Examiner indicated that the "RF transaction device," "point of sale (POS) device," and "secondary verification" aspects of the new claims together would distinguish over Rau et al., U.S. Pub. No. 20060178937 (Rau) and Phillips et al., U.S. Patent No. 6,997,378 (Phillips).

Applicants acknowledge the Examiner's statement in the Final Office Action regarding the information disclosure statements filed on 10/04/2004 and 08/30/2008. With this Reply, Applicants are submitting a new information disclosure statement with 21 references that Applicants have seen more frequently in office actions in related cases, and thus point the Examiner's attention to these references. Applicants therefore respectfully request that the Examiner consider the new information disclosure statement with the 21 references as well as the information disclosure statements filed on 10/04/2004 and 08/30/2008.

The Examiner rejects claims 25-33 and 46 under 35 U.S.C. § 103(a) as being unpatentable over Rau in view of Phillips. Applicants respectfully disagree with these rejections, but are presenting new claims in order to clarify the patentable aspects of the invention and to expedite prosecution of this application.

Rau discloses a "transponder device [that] may communicate account information to an RF-enabled point of sale device, enabling transactions to take place without resort to remote data processing facilities" (Abstract). Rau further discloses that "transponder 102 may also store an account table 112 *directly* recording account information for the subscribed user of the

transponder . . . [and that a] receiver 106 is configured to receive the account table 112 and apply an amount being executed at the point of sale device 108 to the account reflected within the account table” (§§ [0012]-[0013]; emphasis added). Phillips discloses a “system for updating a merchant customer account database . . . wherein the system may be used to update a merchant’s customer database in response to changes made to a customer transaction account” (Abstract). Neither Rau nor Phillips, however, alone or in combination, disclose or contemplate at least, “A method comprising: receiving, at a radio frequency identification (RFID) reader, a **recurring billing transaction request** from a radio frequency (RF) transaction device, wherein the recurring billing transaction request comprises an encrypted RF transaction device identifier and a recurring billing amount; **decrypting** the encrypted RF transaction device identifier to produce an RF transaction device identifier; **converting** the RF transaction device identifier into a magnetic stripe formatted identifier; transmitting the magnetic stripe formatted identifier via a point of sale (POS) device to a merchant server; requesting a **secondary verification** in response to a transaction restriction associated with the RF transaction device identifier; receiving the secondary verification; and receiving approval of the recurring billing transaction request in response to the receiving the secondary verification . . . wherein the updated total recurring billing amount is submitted to a provider system for payment processing.” as recited in new independent claim 47 (emphasis added) and as similarly recited in new independent claims 62, 71 and 72. Applicants therefore respectfully request allowance of independent claims 47 and 62, 71 and 72.

Claims 48-61 and 63-70 variously depend from independent claims 47 and 62 and are therefore allowable at least because they depend from independent claims that also are allowable, in addition to their own unique features. Applicants therefore also respectfully request allowance of dependent claims 48-61 and 63-70.

When “at least one of A, B, or C” is used in the claims, Applicants intend the phrase to mean any of the following: (1) at least one of A; (2) at least one of B; (3) at least one of C; (4) at least one of A and at least one of B; (5) at least one of B and at least one of C; (6) at least one of A and at least one of C; or (7) at least one of A, at least one of B, and at least one of C.

Applicants respectfully submit that the new claims are allowable over the references of record and therefore respectfully request a notice of allowance. Should the Examiner have any suggestions to place the application in even better condition for allowance, Applicants request that the Examiner contact the undersigned representative at the telephone number listed below. Reconsideration of the application is thus requested.

Respectfully submitted,

Dated: 1/14/09

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